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In a Lean Budget Year, A Pledge for Research

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With Washington bracing for an austere budget year, President Bush last night proposed a 10-year, \$136 billion initiative that would double the federal commitment to basic scientific research and train tens of thousands of new math and science teachers.

The president's "American Competitiveness Initiative" may lack the ambition of last year's effort to dramatically reshape Social Security, but in size and scope it dwarfs other domestic proposals in health care and energy research that had been heavily promoted in the run-up to the State of the Union address.

It was also welcomed by scientists, after two years of relative austerity. The National Institutes of Health will absorb its first spending cut in three decades this year; last year, the National Science Foundation had to tighten its belt.

Now the president will ask Congress to increase spending on federal research and development next year by nearly \$6 billion, to a level that would be more than 50 percent higher than the level he inherited in 2001. Under the initiative, the budgets of the NSF, the Energy Department's Office of Science, and the Commerce Department's National Institute of Standards and Technology would double over 10 years, with \$50 billion in new funding.

"I have to say we're delighted," said Alan I. Leshner, chief executive of the American Association for the Advancement of Science. "If this plays out, if Congress appropriates these kinds of funds, it will be a serious national commitment to a future science-based economy."

In his speech, Bush put far more emphasis on an energy research-and-development effort that he said by 2025 would replace three-quarters of the oil imported from the Middle East. He pointedly did not renew his call to open Alaska's Arctic National Wildlife Refuge to oil drilling.

"We have a serious problem," Bush said. "America is addicted to oil."

But whereas his science program was denominated in billions of dollars, his energy program was in millions. Research into emissions-free coal plants would get \$54 million in the fiscal year that begins in October. Solar power would get an additional \$65 million. And wind energy would get a \$5 million increase.

Bush also called for \$59 million in additional funds for developing fuels out of agricultural waste, such as wood chips, switch grass and stalks, with the aim of making

such "cellulosic ethanol" competitive and practical within six years.

"It's important that this president, who made his living in the oil patch, is confronting what he called America's addiction to oil," said Reid Detchon, executive director of the Energy Future Coalition. "This is an important step for this president, and I hope Congress is more aggressive than he has been."

But after years of cuts, Bush's proposals would barely get renewable-energy funding back to where it was at the end of his predecessor's administration, said Dan Reicher, an assistant energy secretary for renewable fuels and conservation under President Bill Clinton.

"I wish the president had seen the green light six years ago," he said. "Then we'd be a lot further along than we are today."

Bush's approach to slowing health care spending builds on a controversial form of insurance, known as health savings accounts, that became available nationwide in 2004 as a result of a law that was mainly designed to help Medicare patients pay for medicine. Under HSAs, people can set aside money -- this year, up to \$2,700 for individuals and \$5,450 for families -- tax-free for health care they use now or in the future. In order to open such an account, they must have a limited health plan that features a high deductible and pays for major medical expenses after that.

So far, about 3 million people have created such accounts, according to new insurance industry figures. Last night, Bush proposed several steps that the administration believes would motivate more people to choose this form of insurance. The president proposed giving two additional tax breaks for such insurance: allowing deductions for insurance premiums for high-deductible health plans that people buy individually rather than through their jobs, and allowing people with such insurance to write off all the health care expenses they pay for out of their own pockets.

In addition, Bush asked Congress to create refundable tax credits of \$3,000 for poor families that buy high-deductible plans to go along with a health savings account. The heavy reliance on health savings accounts immediately drew clashing reactions. Karen Ignagni, president of the trade group America's Health Insurance Plans, said: "Boosting contribution limits and making HSAs more flexible will enable more consumers to access these innovative products."

But Ron Pollack, executive director of Families USA, a consumer health lobby, said: "I think this will be a very difficult package to pass."

Bush's biggest obstacle may be a budget deficit expected to rise to around \$360 billion this year, and lawmakers of his own party who have used a widening corruption scandal and GOP turmoil to revive the conservative cause of shrinking the federal government. Last year, heeding Bush's demand to reduce non-security discretionary spending, Congress cut many of his pet programs.

This year, conservatives are likely to resist not only the cost of his proposals but also their emphasis on a federal role on research, development and education.

At a closed-door retreat for conservative House members Monday, Rep. John A. Boehner (R-Ohio) -- campaigning to be elected House majority leader -- boasted that he refused to comply with Bush's push to expand the testing requirements of the No Child Left Behind law into high school.

Now Bush is asking for \$380 million to train 70,000 new teachers for Advanced Placement courses in math and science, to encourage 30,000 math and science professionals to take up teaching, and to promote new methods of math instruction and intervention for students having difficulty with math.

That initiative was welcomed by a bipartisan group of senators who had proposed the same program as part of their Protecting America's Competitive Edge Act.

But conservatives have increasingly chafed at the expanding federal role in education under Bush, and they are showing signs that they have had enough.